

# R.J. REYNOLDS

Tobacco Company

FILE COPY

September 19, 1997

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To: B.J. Roth

Subject: AE/KAM Meeting 9/17 & 9/18

Dear Bill:

The following is a summary of the primary topics that were discussed at the above meeting.

1. Business/Performance

✓ A. Winston Introduction

- Need to hammer the Box Styles in all segments
- All, including Ultra, are demonstrating volume growth

B. Salem/Display

- Business if off.
- Goal is to maintain share.
- 6-month analysis illustrated that spending has little effect on share.
- Marlin analysis illustrates that display is key.
- PM grew .58% in July! (Largest increase for 1-month period). Only .09% attributable to B4G1F product. Other attributable to display presence and demand created for the promotion.

C. Plan A vs. Plan B Execution

- DOD is preferred method in executing Plan A (controlled vs. buydown).

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--Buydown is preferred method during Plan B, and should be accompanied by a force-out to support purchase pattern increases.

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✓ D. Doral

--Must better execute in Supermarkets.  
--Should look at defense against not only competition, but by our own activity in other segments (Protect the partners where necessary).  
--As price of cigarettes increases, Savings segment becomes more critical in all classes of trade.

E. Liquor Store Segment

--1400 locations above 100 CPW in NESAs  
--300 of 1400 with RJR contract

2. Communication

✓ A. Need to Focus on Turnkey correspondence

--Eliminate Hard Copy Authorization where possible by combining RJR automation (Task Request) with chains method of internal communication (E-Mail/Internet, etc)

B. Ensure that all RM's/RR's have appropriate information

--Recommendation for storing all chain "permanent correspondence" on the G: Drive so that it is accessible to all ROU's.  
--Store same on disk(s) for new personnel vs. copying from files, or risking possibility of information not being received by new personnel.

C. Chain Point Person

--RM/RR/SR ASR to act as point person to assist with coordination of executing particular tasks (Display/Advertising). This individual to be at chain calls with KAM/AM to better understand, and take accountability for implementation/completion.

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3. Workload

- Analyze current by assignment (Form?)
- Discussed additional headcount in form of Floating RM or Regional Trainer.
- Discussed revisiting of SR involvement in contacting chains based on High Control/Low Control model.

4. NSS

A. Competition

- PM and B & W both presenting pre-settlement NSS sets.
- Both are detrimental to RJR position, presence, and overall ability to do business.
- Previewed RJR rebuttle to be field distributed in mid-October. Outstanding!

B. Merchandising

- RJR rebuttle includes a wide variety of new NSS merchandising options that are truly the "Industry Approach", and have many flexible options to include Pack, Carton, and Promotion on one vehicle. Outstanding!

If you have any questions, please contact me.

Sincerely,  
Dave  
D.W. Keeney/KAM

DWK/jb

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